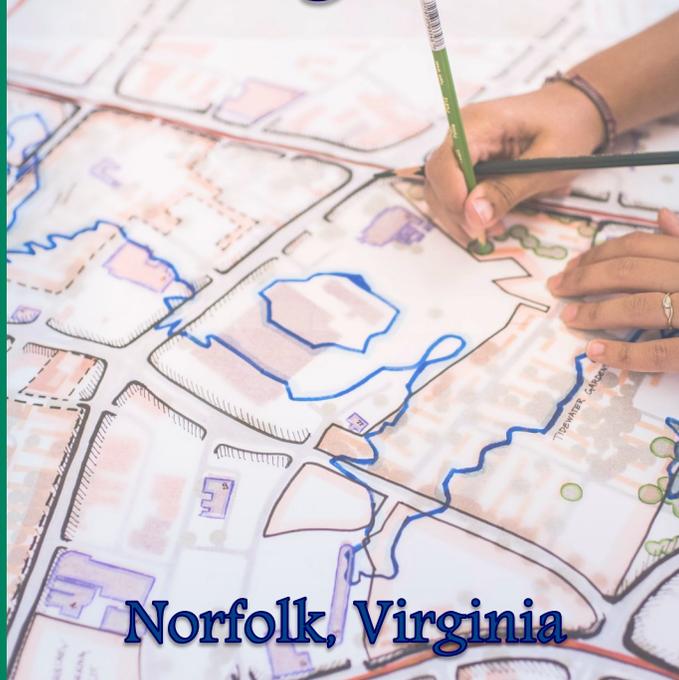


St. Paul's Transformation – Funding Toolbox



Norfolk, Virginia

St. Paul's Transformation Project

"This city is where the story of rebuilding American Cities begins."

HUD's first Secretary, Robert C. Weaver, remarked after a walking tour of Norfolk

"This historic opportunity has the potential to reshape and define Norfolk for years to come, and we are bringing residents, business leaders, and NGO's together to help write the next chapter for the St. Paul's area. We are determined to think anew, to dare to dream, and to re-imagine the St. Paul's area as a center for economic vitality, inclusive development, and resilience. By building relationships throughout the country and enlisting local, state, federal and private resources we are confident that this transformational initiative will be a success."

Mayor Kenneth C. Alexander, Norfolk State of the City Address

Norfolk's Competitive Advantages

- ⇒ Urban center of the Hampton Roads Virginia region of 1.7 million people
- ⇒ Frontlines of global security and home to the largest Naval Base in the World
- ⇒ Most multi-modal transportation network in the state, which includes the Port of Virginia, Norfolk International Airport, Amtrak Rail system, cruise terminal, light rail, ferry, bike lanes and a public transportation infrastructure
- ⇒ Medical hub of the region and home to 4 internationally recognized research institutes
- ⇒ The world is watching Norfolk as it leads the charge for resilience
- ⇒ The arts and cultural hub of the region and even the Commonwealth, with invaluable assets like the Chrysler Museum, the Virginia Opera, the Virginia Zoo and the Botanical Gardens
- ⇒ 3rd largest port on the East Coast
- ⇒ The education hub of the region, home to several institutions of higher learning, and a strong replenishing workforce with approximately 7,000 well-trained military members transitioning to civilian life annually

What Makes Norfolk Great

The City of Norfolk (pop. 245,741) is a growing, diverse community located along the mid-Atlantic coast in the Hampton Roads region. Established as a port town in 1682, Norfolk lies at the mouths of the James, Elizabeth and Nansemond Rivers and the Chesapeake Bay. The City encompasses 66 square miles and has miles of lakes, rivers, and bay fronts that are central to the community.



The seven-acre Town Point Park, with its outdoor concert amphitheater on the Elizabeth River, provides an ideal location for festivities and musical events which draw hundreds of



thousands of people each year. Other amenities include Ocean View Beach Park on the Chesapeake Bay, the marina-front Waterside District, Norfolk Premium Outlets, Nauticus and the Battleship Wisconsin, the Slover Library, MacArthur Center, the area's premier shopping mall, and Harbor Park, Norfolk's beautiful and critically acclaimed baseball stadium.

What Makes Norfolk Great

With its seven miles of beaches, rich American history, maritime and naval heritage, cultural and recreational opportunities, Norfolk has much to offer.



The City serves as the business, financial, cultural, and educational hub

of southeastern Virginia and is home to the world's largest Navy base. It is large, deep-water harbor serves as a major gateway to world commerce and the industrial heartland of the United States. Other industries include financial institutions, ship builders and repairers, railroad operations and retail operations. Norfolk has created over 7,000 new jobs in the last five years with nationally recognized companies as IKEA, ADP, Movement Mortgage and Norfolk Premium Outlets.



Norfolk has excellent higher education institutions, including Old Dominion University, Norfolk

State University, Eastern Virginia Medical School and Tidewater Community College. With established neighborhoods, Norfolk provides residents with an excellent quality of life and a real sense of community.

St. Paul's Area Transformation

Norfolk is on the forefront of the sea level rise challenge. The City is making bold plans and implementing innovative solutions to build community resilience. The St. Paul's area of Norfolk is our innovation test ground.



Currently the area is home to nearly 1,700 units of public housing, physically isolated by transportation infrastructure, and at the bottom of a large watershed causing frequent and severe flooding in the neighborhood.

The St. Paul's Transformation Plan will make this challenged neighborhood one of the most desirable neighborhoods in the City, where families and residents from all



income levels, races, ages and cultures can live, learn, work, play and thrive.

St. Paul's Area Transformation

The redevelopment plan focuses on the transformation of two areas — the built environment and the expansion of amenities and opportunities for all residents of the area:

1. Creates a resilient park system and landscaped streets that control flooding and serve as an amenity for the community
2. Restores Church Street as the commercial heart of the community, where mixed-use buildings provide shops, community services, and medical facilities on the ground floor and housing on the upper floors
3. Restores connectivity through the creation of pedestrian scale streets that connects the neighborhood to other parts of the City
4. Constructs a pattern of neighborhood streets and blocks to create the framework for a mixed-use, mixed-income community
5. Provides a diverse mix of residential development ranging from single-family and town homes to large scale multifamily properties



A Proven Track Record of Resilience and Placemaking

In Norfolk, resilience entails ensuring that we prepare for challenges and respond by converting challenges into opportunities.



At the core of the City's resilience strategy is a commitment by each citizen, organization, City Government and by leaders from all sectors, to acknowledge our

stresses and vulnerabilities and to work proactively to find solutions.

Norfolk has a verifiable history of successfully and effectively tackling the big challenges. The City uses placemaking as a means to provide residents and visitors with opportunities to interact with the many amenities that make Norfolk unique.

East Beach:

Norfolk has a seven-mile stretch



of beaches on the Chesapeake Bay. Over the previous decade, the City, in partnership with Norfolk Redevelopment and Housing Authority (NRHA) and the East Beach Company, transformed 100 acres of East Beach into an award-winning neighborhood fashioned after classic Southeastern seaboard coastal villages. Now the East Beach section of Ocean View has 700 housing units with

A Proven Track Record of Resilience and Placemaking

prices ranging from \$350,000 to over \$1.5 million and brings in \$2.6 million in annual real estate taxes to the City.

Broad Creek Renaissance:

Broad Creek is a \$200 million community near Norfolk State University, a public historically black university, with 600 mixed-income homes. Sparked by a \$33 million U.S. Department of Housing and Urban Development's (HUD) HOPE VI grant awarded to NRHA in July 2000, Broad Creek is the region's first mixed-use, mixed-income community that was transformed from a former neighborhood with concentrated poverty.



Grandy Village:

Grandy Village serves as a model transformation that began in 2000, and included the comprehensive renovation of traditional public housing combined with new construction and quality amenities. Located along the Elizabeth River shoreline, this 44-acre community includes 98 new EnergyStar apartments, newly renovated buildings, recently reclaimed wetlands and a LEED certified community center.



Chesterfield Heights:

In 2016, Norfolk and several partners in the Commonwealth received a \$120.5 million grant from the HUD National Disaster Resilience Competition (NDRC). Grant funds are being used to address coastal resilience in the City's Ohio Creek watershed area, that encompasses Chesterfield Heights and Grandy Village, and will serve as a model for the St. Paul's community. Completion is expected to be in Summer 2022.

Global Leader in Resilience

Boldly Facing Our Challenges— Finding Innovative Solutions

Norfolk's resilience strategy for water management incorporates the City's new resilient zoning code, our recently adopted *Green Infrastructure Plan*, our *Complete Streets* initiative and the recommendations from the *Norfolk Plan to Reduce Poverty*.



Norfolk is a leader in Urban Resilience, as demonstrated by its designation as one of the first cities in the 100 Resilient Cities (100RC) network, a program pioneered by The Rockefeller Foundation. As a member of 100RC, Norfolk has developed a resilience strategy to address the three major challenges facing Norfolk today: sea level rise and recurrent flooding; a shifting economy; and a need to build strong, healthy neighborhoods.

Norfolk is successfully implementing this resilience strategy through small parcel level programs like Retain Your Rain, as well as large, federally-funded grants that transform large neighborhoods such as the \$120.5 million federal HUD grant from the NDRC for transformational coastal improvement in the Ohio Creek watershed.



Currently more than half of Tidewater Gardens, and much of Calvert Square are in the 100-year flood plain. The City will utilize resilience strategies to explore various innovative landscape and hardscape options to strategically alleviate flooding, provide public access to the Elizabeth River waterfront and reconnect the St. Paul's community to the rest of the City.

Inclusive Economic Growth

As a part of the effort to put people first and to assist families out of poverty, the City is focusing on economic opportunities that will benefit the residents of St. Paul's through job and entrepreneurship development

Inclusive Economic Growth builds and distributes wealth equitably across the City and creates opportunities for all residents

In Norfolk, the pillars of Inclusive Economic Growth are economic opportunity and social and economic mobility

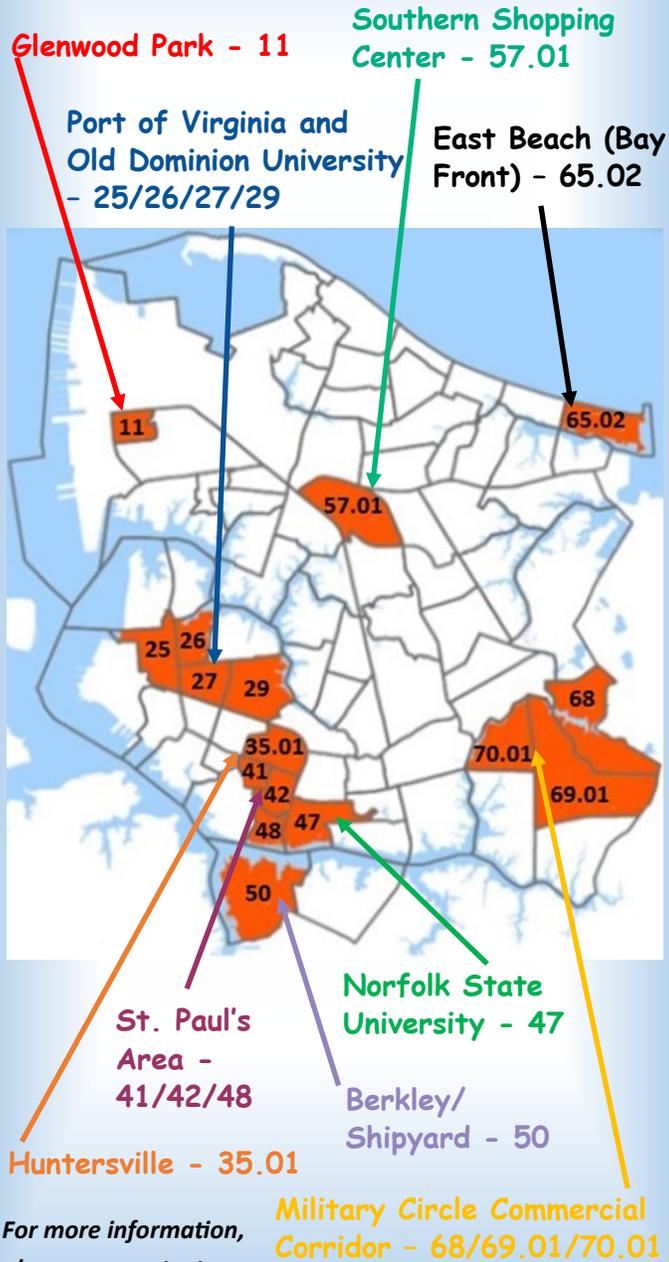
Inclusive Economic Growth Goals:

- ⇒ **Growth:** Increase growth of Norfolk businesses and their capacity to create living-wage jobs
- ⇒ **Prosperity:** Improve the wealth, income, and workforce participation of Norfolk residents
- ⇒ **Inclusion:** Ensure that economic growth benefits all, including those who have not historically shared in Norfolk's growth



Opportunity Zones

Norfolk has 16 Opportunity Zones, the most in Virginia, with favorable investment options



For more information,
please see contacts on
back cover

Four Corners – Primed for Rapid Development

Within the St. Paul's area there are key City-owned parcels located in an opportunity zone, ready for development

This area, known as the "Four Corners," surrounds the historic Martin Luther King, Jr. Memorial

Envisioned on two corners are the following:

Municipal Services Building (1 acre)

60,000 square foot eco-friendly municipal services building housing the City's government offices (with on-site structured parking)

Catalytic Community Hub (1.5 acres)

60,000 square foot multi-story building along a revitalized commercial corridor

The potential commercial, entrepreneurial, and retail development will serve as the "People Bridge" connecting the distinct areas of St. Paul's



Catalytic Community Hub

Estimated Project Cost

\$18 million



Envisioned as a 60,000 square foot community building on 1.5 acres that will activate the community through programs in culinary arts, technology and art, as well as provide food and beverage services, event space, business incubation services, retail, and youth and adult workforce training

Non-residential anchor of the neighborhood and will connect the St. Paul's area with the rest of Norfolk

Designed to match commercial activity with job creation in a facility accessible to residents and the region

Municipal Services Building

Estimated Project Cost

\$35 million



Envisioned as a 60,000 square foot eco-friendly municipal services building that is a highly adaptable facility sited in a new mixed-use commercial corridor with land that is poised for new development

The mixed-use project includes housing the City's government offices and on-site structured parking

Combined land square footage is 1 acre

Potential Funding Tools

Municipal Services Building

Place-based

Public Private Partnership

Opportunity Zone Investments

City-wide

Tax Revenue

Fee Revenue

City Capital Improvement Funding



Resilient Park

Estimated Project Cost

\$40 million



The crown jewel of the St. Paul's area will be the transformation of the flood-prone areas into a water eco-center comprised of passive parks, urban gardens and open spaces

Water repositories will provide places for people and water to co-exist peacefully

Serves as a dynamic living laboratory to provide research, educational and recreational opportunities for residents, the region and the world

Estimated to be 30 acres of green space

A master storm water plan is underway to model how water flows across the watershed

Potential Funding Tools

Resilient Park

Place-based

Conservation Tax
Credits

Public Private
Partnership

Special Assessment
(e.g. Community Development Authority)

Tax Increment Funding/Financing

Opportunity Zone Investments

Land Sale Proceeds

City-wide

Tax Revenue

Storm Water Fee Revenue

City Capital Improvement Funding



Mixed-Income Housing

Estimated Project Cost

\$150 million



Replace distressed public and assisted housing, with high-quality, mixed-income housing that is well-managed and continues to be responsive to the needs of the surrounding St. Paul's neighborhoods

Ensures replacement housing for current residents, both on and off site

Lifecycle housing for people in all stages of life

Strong sense of community and the ability to build social capital

Potential Funding Tools

Mixed-Income Housing

Place-based

Rental Assistance Demonstration
(RAD)

Low Income Housing Tax Credits
(LIHTC)

Project-based Vouchers

CHOICE Funds Section 108

Home Investment Partnerships
Program (HOME)

Opportunity Zone Investments

City-wide

Tax Revenue

City Capital Improvement Funding

Community Development Block
Grant (CDBG)



People First

Estimated Project Cost

\$25 million



Intensive, individualized and comprehensive case management approach to increase economic mobility and housing stability for residents

System that stays with families over a period of time as financial health and stability is achieved - ensures outcomes for three phases: pre-relocation, during relocation, and post relocation (stabilization)

People First services currently underway:

- ⇒ Workforce Development
- ⇒ Transportation
- ⇒ Financial Literacy/Counseling
- ⇒ Youth Services
- ⇒ Economic Opportunities
- ⇒ Health and Wellness

Potential Funding Tools

People First

Place-based

Public Private Partnership

CHOICE Funds

Impact Bonds

Philanthropic

City-wide

Tax Revenue

Operating Budget Funding



Schools

Estimated Project Cost

\$60 million for 2 Schools and an early childhood center



The transformation of St. Paul's will be successful through the focus on high-quality educational opportunities in income-integrated schools that close the achievement gap for low-income students

Creates high-performing, neighborhood schools focused on science, technology, reading, engineering, arts, mathematics and project-based learning

The Resilient Park provides open space needed for schools and high ground can accommodate educational and research facilities around water management

Potential Funding Tools

Schools

Public Private Pay-for-Performance

Special Assessment
(e.g. Community Development Authority)

Ad Valorem Tax

Philanthropic CHOICE Funds

Developer Tax Increment
Funding Funding/Financing

Opportunity Zone Investments

Place-based

Tax Revenue

City Capital Improvement Funding

City-wide



Norfolk
Public
Schools

Demolition & Relocation

Estimated Project Cost

\$25 million



The St. Paul's area is home to the region's highest concentration of public housing with nearly 1,700 aging units in three family communities

Units are over 60 years old, have outlived their useful life and will be demolished in phases over the next ten years

Relocation of residents will also be phased for each community with the first phase, Tidewater Gardens, being completed over three to four years

Mobility services will be provided to residents that include identification of available housing, landlord liaison services, financial counseling, and payments for moving costs, application fees and connection fees

Potential Funding Tools

Demolition & Relocation

Place-based

Brownfields Remediation Grants

Opportunity Zone Investments

Land Sale Proceeds

Demolition or Disposition

Transitional Funding (DDTF)

City-wide

Tax Revenue

City Capital Improvement Funding

Operating Budget Funding



Road Network

Estimated Project Cost

\$85 million



Create a connected pattern of neighborhoods streets and blocks providing the framework for a mixed-use, mixed-income neighborhood that replaces the existing super block structure

Connects this area to the rest of the City and ends years of isolation

Network of green streets leading from the greenway will be used as a heritage-focused trail that honors the neighborhood's African American cultural heritage

Potential Funding Tools

Road Network

Place-based

Special Assessment
(e.g. Community Development Authority)

Ad Valorem Tax
(e.g. Special Services District)

BUILD Grant

Tax Increment Funding/Financing

Opportunity Zone Investments

City-wide

Tax Revenue

City Capital Improvement Funding



Historically Focused Landscape & Lighting

Estimated Project Cost

\$10 million



Network of green streets provides an opportunity to honor the cultural heritage of the neighborhood

Heritage trail makers will highlight local history and the contributions of African Americans to the cultural, educational and scientific enrichment of Norfolk

Well Lit and Safe - Day and Night

Conduit-overhead and underground

Energy efficient lighting

Animate the spine of St. Paul's

Potential Funding Tools

Historically Focused Landscape & Lighting

Place-based

Ad Valorem Tax

(e.g. Special Services District)

Special Assessment

(e.g. Community Development Authority)

Tax Increment Funding/Financing

Opportunity Zone Investments

City-wide

Tax Revenue

City Capital Improvement Funding



Water • Wastewater • Storm Water

Estimated Project Cost

\$38 million



The St. Paul's area is subject to chronic flooding due to storm water runoff and high-tide events

Daylighting Newton Creek will create a resilient linear park, while managing storm water

Aging utility and pipe infrastructure needs will be addressed to implement the transformation plan

Potential Funding Tools

Water • Wastewater • & Storm Water

Special Assessment
(e.g. Community Development Authority)

Place-based

Opportunity Zone Investments

Ad Valorem Tax
(e.g. Special Services District)

Brownfields Remediation Grants

Fee Credits*

*Requires legal review

City-wide

Fee Revenue

City Capital Improvement Funding



Estimated Cost Summary

Catalytic Community
Hub = \$18 Million

+

Municipal Services
Building = \$35 Million

+

Resilient Park = \$40 Million

+

Mixed-Income Housing = \$150 Million

+

People First = \$25 Million

+

Schools = \$60 Million

+

Demolition & Relocation = \$25 Million

+

Road Network = \$85 Million

+

Historically Focused Landscape &
Lighting = \$10 Million

+

Water, Wastewater & Storm
Water = \$38 Million

Total Estimated Cost ***\$486 Million***



Seeking Bold Financing Ideas

See Some of Ours

Bold Toolbox Ideas

Schools Pay for Performance

Potential Social Impact Bond
Performance Measures:

- ⇒ Schools achieve accreditation
- ⇒ Increased grade level reading
- ⇒ Increased attendance
- ⇒ Increased test scores
- ⇒ Improved behavior at school
- ⇒ Increased graduation rates or reduced drop-out rates



Bold Toolbox Ideas

People First Pay for Performance

Potential Social Impact Bond
Performance Measures:

- ⇒ Increased employment retention
- ⇒ Increased number of days worked
- ⇒ Increased wages earned
- ⇒ Increased job satisfaction
- ⇒ Improved career prospects



PEOPLE  FIRST



Bold Toolbox Ideas

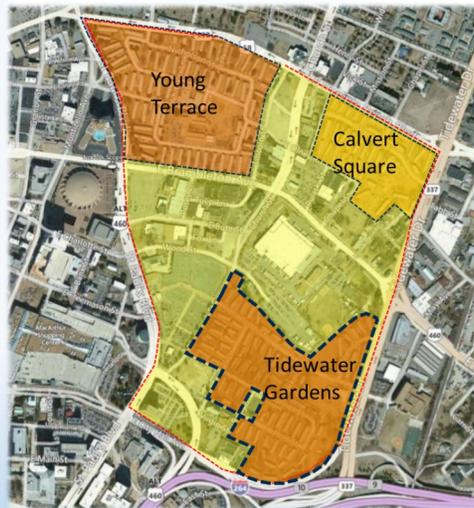
District Energy

District Energy is a concept of combining heating and cooling generation into one centralized location for the purpose of reducing cost and emissions

- ⇒ Requires upfront costs
- ⇒ Hot steam/water and chilled water are transmitted via a system of insulated pipes
- ⇒ User pays for what they utilize and do not install heat generation/air condition equipment

St. Paul's Transformation Project - 230 Acres

- ⇒ Tidewater Gardens - 44 Acres
- ⇒ Young Terrace - 36 Acres
- ⇒ Calvert Square - 19 Acres



Bold Toolbox Ideas

Smart, Energy Efficient, Digitally-Connected Neighborhoods

Low- and moderate-income families spend a disproportionately large share of their incomes on utilities

Seeking resource leveraging opportunities to take advantage of renewable energy systems, such as solar and geothermal technologies that result in zero-carbon, renewable energy that also supports jobs and fuels private investment

Encouraging the adoption of energy efficiency measures

Seeking capital investment in state-of-the-art energy efficient systems and retrofits for commercial buildings and housing properties

Encouraging enhanced digital connectivity through the Regional Connectivity Ring



For More Information

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